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BY JOE TRENT

year-long Penthouse in can newspaper chain. intelligence arms of th Federal Bureau of Inve

The Penthouse inquiry establi cludes the San Diego Union and subsidiary, the Copley News Se

- Provided credentials, informa and the FBI.
- Exchanged intelligence information planted CIA and FBI stories and
- Harbored CIA operatives on and fed stories to news-service (FBI.

Furthermore, Penthouse learns was a financial failure) was inst Eisenhower and the late James S. Copley Press) for the purpose of

Meetings and phone calls bet lined in still-secret documents, These documents confirm:

- That Copiey volunteered his r and ears" against "the Communis "our intelligence services."
- That Eisenhower told Copley country and will be reciprocated
- At subsequent meetings oth Service provide credentials for C 'cover for our operatives."

Those meetings and phone call and his privately held empire an death in 1973.

According to retired intelliger "Andy") Anderson, the czar of drew on his background in nave intelligence effort during the early ley executives, refused to be interviewed for this article. The is now remedi-

'The hiring of military people to run his newspapers and his news service was something that Jim inherited from his father." Lyle Erb, the former corporation secretary for Copley Press, told Penthouse. Copley's father, Col. Ira Copley, had requisitioned OSS officer Robert Richards to run his Washington bureau before the end of World War II. And Gen. Victor ("Brute") Krulak, onetime head of liaison between the Joint Chiefs of Staff

and the intelligence services, succeeded Captain Anderson as editorial director of Copley Press in 1968. Krulak (who retired from Copley in June) was described by members of the Forty Committee, which oversees the U.S. intelligence apparatus, "as the expert in anti-Castro guerrilla ac-

tivities in the early 1960s for the Kennedys.'

Sources indicate that while there had been intelligence cooperation ease 2094/10/13 in Cooley and the CIA prior to the 1953 Fisenhower meetings, it was ease 2094/10/13 in CIA TRIP CRS was to Uniced Pentinouse Tearned from very well placed CIA sources that no less than twenty-three Copley News Service employees had worked for the CIA simultaneously. Out of the 194 U.S.

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Journalists as Spooks

Anyone seriously concerned about restoring the integrity of the American press should not be fulled into believing that there is no further danger that some of its elements will be involved in Government intelligence operations.

Pushed by Congressional probers, published accounts of correspondents who played spook with the sanction of their bosses, and protests from several journalistic groups, the Central Intelligence Agency says it has reformed: It will no longer employ persons working for American news organizations, nor will it hide its agents behind the cover of jobs in U.S. news media.

Despite such pledges, the press is not out of the swamp on this issue.

First, we have only the agency's word that it has forsaken the use of American journalists for intelligence operations. This policy can be expediently and secretly reversed. No Federal law bars the CIA, the FBI, or other national security bureaucracies from using the press for their own purposes.

Second, the CIA still enjoys license to employ non-American news organizations and journalists to spy and propagandize. Under the agency's new rules, Associated Press and United Press International, for example, may be untouchable, but foreign news and publishing operations remain fair game. That is a distinction without much difference in possible effect. Many foreign news organizations - Reuters and Agence France Presse, for instance - provide their service to newspapers, magazines, and broadcasters in this country.

Given the extensiveness of the CIA's covert propaganda apparatus — the agency stonewalled publication of exact figures, but the Senate intelligence committee disclosed it had "direct access to a large number of foreign newspapers and periodicals, scores of press services and news agencies, radio and television stations, commercial book publishers, and other foreign media outlets" - the risk of pollution of domestic media, inadvertently or by design, persists.

Aside from the risk of tainting the American press, the widespread use of foreign news media for U.S. intelligence and propaganda purposes raises a fundamental question: Does our Government have the right to subvert the foreign press? The record is irrefutably clear that it did so, heavily and systematically, in Chile before the coup which ended the Allende government.

Books have been the megaton weapons in the CIA's hidden propaganda arsenal. "Books differ from all other propaganda media, primarily because one single book can significantly change the reader's attitude and action to an extent unmatched by the impact of any other medium," the chief of the CIA's covert action staff wrote in 1961. Most of the more than 1,250 books published with clandestine CIA sponsorship were for overseas readers, but not all.

'The Penkovsky Papers was published commercially in the United States in 1965; its CIA connection was carefully cloaked. Thirty newspapers, including *The*Approved For Release 2004/10/13: CIA-RDP88-01315R000200570001-3

Washington Post, serialized excerpts. According to Post editorial writer Stephen S. Rosenfeld, his newspaper tried unsuccessfully to find the Government's hand in the book about the Soviet Union before, during, and after serialization. Rosenfeld recently explained the damage such covert publishing manipulation can do at home:

"The real victims of this operation were American citizens. Their Government gave them to believe that a fraud was reality: the fraud of the book and the fraud of the particular picture of the Soviet Union drawn in the book — a picture describing Soviet leaders and intentions in terms likely to sober any American who thought it might be worth trying to get along a bit better with the Kremlin."

The CIA refused the Senate intelligence committee's requests for the titles of books it covertly authorized, just as it would not yield the names of American journalists who secretly had served the agency while working as reporters, editors, and publishing or broadcasting executives. Understandably, the possible disclosure of those names aroused the hottest emotions, including cries of witchhunt. The Los Angeles Times and The San Diego Union were the only newspapers, to my knowledge, which editorially called for the public revelation of names in order to restore the credibility of the vast majority of journalists.

There is no likelihood that Congressional committees will try again to extract the identities of journalist-agents. Progress was made toward reform "without having to get



'We just consider that fertilizer for democracy

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19 July 1976

Mr. Milton Viorst
The Fund for Investigative
Journalism, Inc.
1346 Connecticut Ave. NW
Washington, DC 20036

Dear Mr. Viorst,

I am responding to your letter of July 5 to Mr. George Bush, Director of Central Intelligence.

The statement published on February 11, of which you have a copy, is, of course, in effect, and the Agency is in full compliance with these self-imposed guidelines. The prohibition on further use by the Agency of journalists employed by American news-gathering organizations was, as employed by American news-gathering organizations was, as you are aware, a purely voluntary act on the part of the Agency to eliminate even the appearance of possible impropriety and to meet the constitutional concerns about which all of us feel strongly. On June 24, we had a lengthy meeting with officials of the National News Council, at their request, to provide some clarification and interpretation of the February 11 statement. You may wish to contact the Council if you are interested in their assessment of the discussion and their statement to the press on our meeting.

With reference to your comment on the Overseas Press Club appearance by the Director: the reason that an approach by that organization to the CIA is not mentioned in Mr. Bush's letter is, quite simply, that we have no record of any communication from the Overseas Press Club on this subject and no knowledge of any action such as you describe. 27 MAY 1976

CIA Policy on Journalists Draws Assent, Bush Says

By Laurence Stern Washington Post Staff Writer

CIA Director George
Bush has said that his policy
on the use of journalists for
foreign intelligence operations had met with
"considerable quiet understanding" by "a number of
members of the Fourth Estate."

Bush made the statement in a letter to The Fund For Investigative Journalism, a Washington-based organization of journalists which had requested that he prohibit the recruitment and use by the Central Intelligence Agency of all journalists, including free-lancers, stringers and part-time editors and reporters.

The CIA director's May 21 letter was made public by the Fund in the wake of charges by the Soviet weekly Literary Gazette that three American correspondents in Moscow are working for the CIA.

Although Bush did not specify whose opinions he sought in the U.S. journalistic community, he recalled that he had enunciated his

new policy in recent appearances before the American Society of Newspaper Editors and the Overseas Press Club.

"I have also talked privately to a number of members of the Fourth Estate," wrote Bush. "Although not all of them are totally happy with the situation as it is, I have met with considerable quiet understanding.

"One top figure in the national media told me privately that he thought that after issuance of my statement, no more could properly be demanded of us."

In a statement issued on Feb. 11, shortly after he took over as CIA director, Bush announced that the agency would no longer enter into paid or contractual relations with any full-time or part-time news correspondent "accredited by a U.S. news service, newspaper, periodical, radio or television network or station." There was no elaboration of what accredited means.

He also said that the agency would bring existing relationships with such jour-

nalists to an end "as soon as feasible."

However both Bush and his predecessor, William E. Colby, made it clear that the agency would still retain the services of free-lance and part-time journalists who did not fall into the category of those "accredited" to U.S. media.

The Senate intelligence committee, in a recent report on the agency's use of journalists, said that as many as 50 stringers, who are paid on the basis of articles written, were on contract as intelligence operatives.

The report also said that two full-time, accredited correspondents abroad had working relationships with the CIA as of last February.

While Bush did not name the journalists he consulted on his policy, he conferred with editors of The New York Times and executives of both CBS and the Westinghouse network shortly after his installation as CIA director. The three sessions were conducted privately during a visit by Bush to New York.

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27 MAY 1976

CIA Won't Sever All Free-Lancer Ties

CIA Director George Bush has turned down an appeal that the agency sever all ties with its estimated 25 free-lance journalists overseas. he Fund for Investigative Journalism had asked for a total ban on CIA use of journalists, including free-lancers.

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CIA-JOURNALISTS

HASHINGTON (AP) -- THE FUND FOR INVESTIGATIVE JOURNALISM HAS URGED THE CENTRAL INTELLIGENCE AGENCY TO END ITS USE OF JOURNALISTS IN INTELLIGENCE ACTIVITIES.

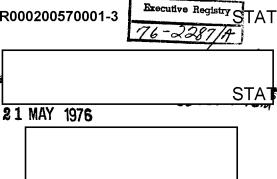
THE PRIVATE ORGANIZATION, WHICH HELPS FUND REPORTERS INVESTIGATIONS, WADE THE REQUEST IN A LETTER MAY 18 TO GIA DIRECTOR GEORGE BUSH.

IN FEBRUARY, BUSH ANNOUNCED THAT THE CIA HOULD NO LONGER ENTER INTO PAID RELATIONSHIPS WITH NEWS CORRESPONDENTS ACCREDITED BY U.S. NEWS SERVICES, NEWSPAPERS OR BROADCASTERS.

BUT HIS STATEMENT DID NOT RULE OUT USING FREE-LANCE REPORTERS, A MOVE WHICH THE JOURNLISTS' FUND HAS NOW REQUESTED.

AND LAST WONTH A REPORT OF THE SENATE INTELLIGENCE COMMITTEE SAID ABOUT 25 AMERICAN JOURNALISTS AND DTHERS WORKING FOR U.S. NEWS AGENCIES CONTINUED TO MAINTAIN SECRET CONTACTS WITH THE CIA.

05-21-76 18:22EDT



Mr. Milton Viorst
Chairman, The Fund for
Investigative Journalism, Inc.
1346 Connecticut Ave. N.W.
Washington, D.C. 20036

Dear Mr. Viorst,

Thank you for your letter of May 14, 1976.

We have, as you know, considerably changed our practices with respect to the press. Although doubtless you have seen my statement on this matter, I enclose a copy of the full text for your convenience.

Recently, I have addressed myself to this matter at ASNE and Overseas Press Club meetings. I have also talked privately to a number of members of the Fourth Estate. Although not all of them are totally happy with the situation as it is, I have met with considerable quiet understanding. One top figure in the national media told me privately that he thought that after issuance of my statement, no more could properly be demanded of us.

I am alert to the points you make in your letter but feel we must stand on the revised position we have taken.

You are doubtless aware, as are we, that the linking of newspaper men and intelligence in the minds of counterintelligence services world-wide long antedated the establishment of the Central Intelligence Agency. The linkage will remain in the minds of even those most closely

allied to our way of thinking no matter what steps we take or public announcements we make. This is a fact of the world of today and tomorrow.

I understand your concern and I hope you will understand how far we have come in this matter. In a perfect world, we might be able to run the intelligence business in response to the criticisms of each and every point of view but I'm afraid that perfect world is not yet here.

Sincerely,

/s/ George Bush

George Bush Director

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THE FUND FOR INVESTIGATIVE JOURNALISM, INC.

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May 14, 1976

Honorable George Bush Central Intelligence Agency Washington, D.C. 20505

Dear Mr. Bush:

The recent reports of the Senate Select Committee on Intelligence Activities, as well as the reported findings of the House Select Committee on Intelligence and the Rockefeller commission, verify the clandestine operational use by the Central Intelligence Agency of American journalists, news executives and news organizations. The Board of Directors of the Fund for Investigative Journalism regards such practices as destructive of the fundamental premises of a free press and corrosive of the First Amendment.

The Fund has a special concern about free-lancers. Most of the persons who receive grants from the Fund, a private foundation, are free-lance journalists. Their investigations sometimes are carried on abroad. Central Intelligence Agency actual or potential use of some free-lance journalists taints all free-lancers working overseas on legitimate writing projects with the likely result that their freedom to report may be severely restricted by the action of foreign governments or reluctance on the part of sources to assist their reporting efforts.

Beyond our own institutional concern, however, we believe the entire practice of systematically using accredited journalists, bona fide free-lancers, and foreign nationals who work for U.S. publications and news media organizations abroad badly serves the American people. By threatening the integrity of the press, the practice encourages the people's distrust of all reporting.

We call your attention to the requirement of the Congressional press galleries that journalists accredited to the galleries actually be engaged in journalism and have no activities which conflict with that principal function. The galleries established this eminently sound requirement to assure against actual conflict of interest or the public suspicion that fair reporting is being subverted.

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We, therefore, urge that you go beyond your previous policy statements on this matter and publicly announce now the termination by the Central Intelligence Agency of all use of journalists, including free-lancers, stringers and part-time reporters and editors, whether or not accredited, for intelligence operations.

We look forward to your early response to our recommendation.

Sinderely

Milton Viorst

Chairman

MV/skc